

ABSTRACT

As people live in a global era where technology grows rapidly, payment system become trend in society changes into noncash payment system which is more safe and efficient. Electronic money (e-money) as payment system alternatives grows fast and follows the success of card payment system. Moreover, the electronic money payment system index in Indonesia recorded the most marked improvement over the period from 2012 – 2016 and the trend is still increasing. LINE, the biggest chat application launched electronic payment in Indonesia which affiliate with Mandiri hopefully can vastly adopted with LINE user's in Indonesia.

This study aims to motivate the LINE Pay users to use LINE Pay by knowing the reasons and factors that driving to adopt and inhibiting LINE Pay adoption due to the success of LINE Pay in other country. The model of this research is from (Bezovski, 2016) which extend for the Diffusion of Innovation original variables.

Six proposed electronic money adoption variables are discussed in this study which is relative advantage, compatibility, complexity, costs, security risk, and trust. The research is a qualitative research with correlational type of study. Data were collected through in-depth interviews with 17 respondents from JABODETABEK with three people minimum for each region. Method triangulation is chosen for the reliability and validity in this research.

The study supports that all the six proposed variables contribute to the adoption of LINE Pay use. Besides, a new variable needs to be added to the model due to its second highest consideration by interviewees namely price promotions. The findings reveal that all of the variables tend to positively contribute to the LINE Pay adoption.

To be concluded, LINE Pay offers a new yet simple convenient way of payment for small value purchases in certain places and the right price promotions strategy offered to the users. The adoption of LINE Pay is mostly contributed by other users' influence as well as the very well-known issuer, LINE and Mandiri. Still, LINE Pay needs work hard to reduce the slow adoption of it.